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Message Text

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PAGE 01 CARACA 02864 041914 Z

61
ACTION ARA-17

INFO OCT-01 EB-11 ADP-00 INT-08 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 L-03 PA-03 PRS-01

USIA-12 SCEM-02 NSC-10 SS-15 STR-08 CEA-02 DODE-00

RSR-01 /157 W
---------- 107368
R 041542 Z APR 73
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 9321

UNCLAS CARACAS 2864

EO 11652: N/ A
TAGS: ENRG VE
SUBJECT: SOSA COMMENTS DE- EMPHASIZE HEMISPHERIC
PREFERENCES

1. SUMMARY. CHANGING CONDITIONS MAKE IT NO LONGER NECESSARY, ACCORDING TO VENEZUELA' S CHIEF PETROLEUM NEGOTIATOR, FOR VENEZUELA TO INSIST ON HEMISPHERIC TREATMENT FOR ITS PETROLEUM. WASHINGTON IS NOW MORE INTERESTED THAN VENEZUELA IN HEMISPHERIC TREATMENT, HE SAID, AND VENEZUELA SHOULD INSIST ON HIGH PRICES AT A MODERATE LEVEL OF PRODUCTION AND NOT WORRY ABOUT SECURITY OF MARKET, SINCE LATTER IS ASSURED BY WORLD ENERGY CRISIS. END SUMMARY

2. EL NACIONAL OF APRIL 4 REPORTS OPINIONS SAID TO HAVE BEEN EXPRESSED TO ITS ECONOMIC EDITOR BY JULIO SOSA RODRIGUEZ, FORMER AMBASSADOR TO WASHINGTON, WHO IS NOW VENEZUELA' S CHIEF NEGOTIATOR ON PETROLEUM MATTERS, ON VENEZUELAN OIL POLICY IN RELATION TO CHANGING WORLD PETROLEUM SITUATION. FOLLOWING ARE PERTINENT PORTIONS OF EL NACIONAL ARTICLE.

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3. " CONDITIONS WITH WASHINGTON HAVE CHANGED SUB-
SUBSTANTIALLY AND WORLD ENERGY CRISIS CREATES FOR VENE-
ZUELA A DIFFERENT POSITION, NOT ONLY WITH RESPECT TO
TREATMENT THAT IT COULD REQUIRE FOR OIL, BUT ALSO IN
PROGRAMMING ITS OIL INDUSTRY. VENEZUELA, NOW MORE
THAN EVER, SHOULD CONTROL PRODUCTION OF A RESOURCE
THAT IS BECOMING EXHAUSTED WORLDWIDE IN THE FACE OF
A RAPIDLY- GROWING DEMAND."
SOSA EMPHASIZED THAT HE HAS BEEN SAYING FOR SOME
TIME NOW, CONFERENCES IN THE U. S; THAT CONDITIONS
ARE CHANGING AND THAT ALREADY FOR VENEZUELA A REQUEST
FOR HEMISPHERIC TREATMENT IS NO LONGER NECESSARY.
HE EXPLAINED THAT NOW IT SEEMED THAT WASHINGTON IS
INTERESTED MORE THAN VENEZUELA IN THIS HEMISPHERIC
TREATMENT, THAT IS, IN THIS SECURE SUPPLY OF OIL."

4. MOREOVER, SOSA SAID, HE HAS BEEN A PARTISAN OF CONSERVATION AND
OF VENEZUELA NOT MAINTAINING A HIGH PRODUCTION OF OIL BUT RATHER TO
FOLLOW
A POLICY OF A MODERATE PRODUCTION OF THIS WASTING RESOURCE. " THIS
PROPOSAL NOW ACQUIRES MORE VALIDITY, GIVEN WORLD ENERGY CRISIS. HE
REITERATED THE NECESSITY OF STRESSING PRICES MORE THAN SECURITY OF
MARKET FOR OUR OIL. NEW CONDITIONS IN WORLD AND NORTH AMERICAN
MARKET
ASSURE A STABLE, PERMANENT MARKET FOR VENEZUELA."

5. " SOSA ALSO INDICATED THAT HE DOES NOT HAVE INFORMATION THAT
WASHINGTON HAD PROPOSED TO NEGOTIATE ORINOCO PETROLEUM BELT,
AS MINISTER PEREZ LA SALVIA HAS INDICATED."

6. COMMENT: I AM PLEASED AT AMBASSADOR SOSA' S FINAL STATEMENT
SET OUT IN PARAGRAPH 5 AS THIS WAS A DIRECT RESULT OF OUR LUNCHEON
CONVERSATION AS REPORTED CARACAS 2822.
MCCLINTOCK

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